



**IDAHO STATE  
TAX COMMISSION  
ANNUAL REPORT  
1998**

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Note: This annual report gives an overview of Idaho's major tax revenues for 1998 and describes various tax-related programs administered by the Idaho State Tax Commission. Property tax statistics cover the 1998 calendar year. Sales, income and other taxes are reported for fiscal year 1998 which ended June 30, 1998.

# THE TAX COMMISSION

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The Tax Commission consists of four members who are appointed by the Governor to serve six-year terms. They are charged with administering tax laws passed by the Idaho Legislature. Each Commissioner oversees the administration of specific tax types within the agency.

In addition, the Commissioners sit as the State Board of Equalization for two weeks in August. This is when they hear appeals regarding the value of property that is centrally assessed by the Tax Commission.

The agency operates four major programs:

- **Revenue Operations** – processes most tax revenues received by the state.
- **Audit and Collections** – recovers money that is owed to the state and has not been paid voluntarily.
- **County Support** – oversees the administration of property taxes throughout Idaho.
- **General Services** – includes the Commissioners, legal staff, tax policy, computer operations, public information and support services.



The Idaho State Tax Commission left to right:

**R. Michael Southcombe, Chairman** *Responsibilities:* Sales Tax; Legal; Field Services; Tax Policy; Estate Tax; Bankruptcy; Chairman, Multistate Tax Commission

**Coleen Grant, Vice Chairman** *Responsibilities:* Individual Income Tax; Withholding; Illegal Drug Tax; General Services; Public Information; Taxpayer Services; Secretary, Western States Association of Tax Administrators

**DuWayne D. Hammond, Jr.** *Responsibilities:* Corporate Income Tax; Motor Fuels; IFTA; Miscellaneous Tax; Clean Water Trust

**G. Anne Barker** *Responsibilities:* Property Tax; Revenue Operations; Unclaimed Property

# STRATEGIC PLAN & PERFORMANCE

Following are highlights of the Tax Commission's strategic plan, including a program-by-program report on progress toward agency goals in FY 1998.

## MISSION

To provide courteous, quality services and to administer the state's tax laws in a fair, timely and cost effective manner to benefit Idaho and its citizens.

## GOALS

- Continually improve services.
- Effectively use technology to improve operations.
- Develop a capable workforce that is both encouraged and empowered.
- Improve tax administration.
- Promote voluntary compliance with tax laws.
- Improve enforcement efforts.

## PHILOSOPHY

The administration of tax laws is a challenging and sometimes controversial responsibility. Recognizing this, we decided to complement our mission with a tax administration philosophy that emphasizes our dedication to providing quality public service.

Drawn from our goals and mission, our philosophy represents the fundamental beliefs that shape the Tax Commission's approach to policy and operations. Above all, it represents our commitment to **service, equity and value.**

## SERVICE

- **Commitment to High Standards of Service.** We are committed to raising the standards of tax administration by providing professional, courteous, timely, accurate and efficient service to taxpayers as they try to voluntarily comply with Idaho's tax laws.
- **Commitment to Helping Taxpayers.** We will improve our efforts to educate taxpayers about their tax responsibilities under the law. We will provide more and better service by continually streamlining our tax administration system. We will continue our outreach efforts to improve the exchange of information with stakeholders.

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# STRATEGIC PLAN & PERFORMANCE

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## EQUITY

- **Commitment to Fair and Impartial Administration and Enforcement.** We are committed to administering Idaho's tax laws fairly, equitably and impartially. We will minimize noncompliance and fairly enforce compliance with tax laws.
- **Commitment to Honesty and Integrity.** To retain the confidence of Idaho's taxpayers, we will display honesty and integrity in all dealings with taxpayers and avoid any situation or action which could result in the slightest perception of unfair practices or questionable behavior.

## VALUE

- **Commitment to Employees and the Services They Provide.** We will attract, train and maintain the quality work force we need to instill public confidence and reach our goals for improved service to taxpayers. We recognize that our employees are our greatest asset, and they should be encouraged and empowered to use their creativity and resourcefulness in fulfilling our mission.
- **Commitment to Use Progressive Management Practices.** We will continually search for innovative management strategies, including privatization, to streamline our operations and provide citizens with the highest value for their tax dollars.

## PROGRESS IN FY 1998

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The Idaho State Tax Commission entered a new era in 1998, with the Legislature's passage of a \$27 million fiscal year 1999 appropriation to add 43 new full-time positions and overhaul the agency's outdated computer technology.

With support from Governor Phil Batt and the Legislature, the Tax Commission embarked on a wide-ranging program to shrink Idaho's tax gap, which the Office of Performance Evaluations had estimated at \$244.8 million. (The collectable amount of this total was placed at \$46.9 million.) The emphasis was on collecting taxes from out-of-state businesses that do business in Idaho but do not pay taxes here, and on nonfilers who owe taxes but have not paid them.

The Tax Commission estimated that, with the new positions in place, the state could collect \$13.1 million a year in additional revenue. From July through December 1998, the Commission was more than half-way towards its goal. Revenues attributed to the new positions amounted to more than \$7.2 million. Results will be tabulated in the FY 1999 annual report.

# PROGRESS IN FY 1998

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## GENERAL SERVICES

**Computer Capabilities Expanded.** E-mail software was updated and the Tax Commission was connected to the State's e-mail network and the Internet.

**Information Technology Analyzed.** An independent study of the Tax Commission's information technology was completed, along with recommendations for changes and upgrading of equipment and staff.

**Taxpayer Burden Eased.** Taxpayers will have less paperwork due to two pieces of legislation passed in 1998. One measure allows a cooperative effort by the Tax Commission and Department of Labor to combine income tax withholding and unemployment compensation reports. The other gives qualifying taxpayers an automatic extension of time to file income tax returns.

## REVENUE OPERATIONS

**Revenue Increased.** The total revenue processed by the Tax Commission for FY 98 was \$1.98 billion. This consists of 53 percent income tax, 33 percent sales tax, 11 percent fuels tax, and 3 percent other taxes. Of the total revenues, nearly 35 percent were deposited via electronic funds transfers.

**Filing Simplified.** The agency launched an aggressive program to reduce the filing burden on taxpayers by requiring fewer returns and providing alternate ways of filing them. Two electronic commerce programs were introduced to reduce workload, improve quality and pay refunds faster.

## AUDIT AND COLLECTIONS

**IVR System Installed.** A new Integrated Voice Response system was installed in Taxpayer Services to automate responses to questions about refunds and provide tax forms by fax. Installed in late March 1998, the IVR system handled more than 30,000 calls in the remaining three months of FY 98, allowing taxpayer service representatives to handle calls that require more detailed information.

**Interagency Projects.** The Tax Commission was involved in two interagency projects that improved information distribution to stakeholders and simplified taxpayer registration.

## COUNTY SUPPORT

**More Education Offered.** Fifty percent more regional appraisal courses were offered to counties in locations throughout Idaho, making this training more accessible to, and affordable for, counties. Also, in coordination with counties, procedures and requirements were finalized for Industrial Property Tax Appraiser and Mapping certifications. Brochures were developed to explain the requirements for both certifications.

**Property Tax Administration Automated.** Computer programs were developed and distributed to the counties to allow them to enter two new personal property exemptions. These programs automatically deduct the exemptions from property values, saving the counties valuable time that was previously spent in manual recording.

# IDAHO TAXES

Most of Idaho's tax revenues come from three sources: income tax (personal and corporate), sales/use tax, and property tax.

Listed below are taxes collected by the state. Property tax, which is collected by counties, is discussed on page 20.

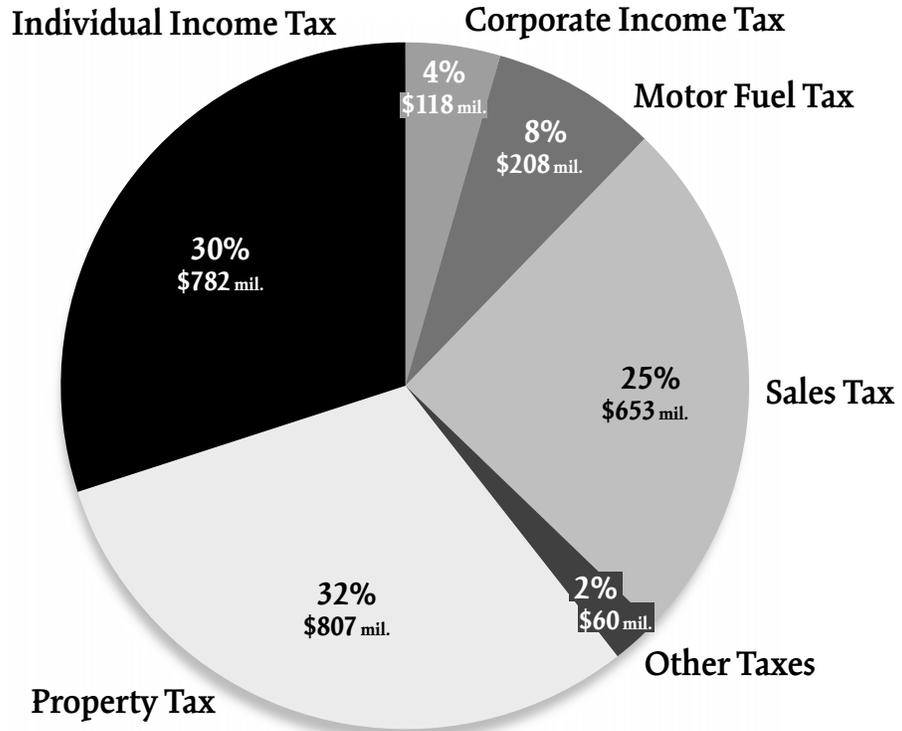
TYPE OF TAX	WHAT IS TAXED	RATE	OTHER INFORMATION
BEER AND WINE TAX	Beer	\$ .15/gal.	
	Wine	\$ .45/gal.	
BOISE AUDITORIUM DISTRICT HOTEL/ MOTEL ROOM SALES TAX	Hotel/motel occupants in the Boise metropolitan area	4%	Exception: Long-term residents (those staying more than 30 days) are exempt.
CIGARETTE TAX	Package of 20	\$ .28	Wholesalers pay this tax to the Tax Commission.
CORPORATE NET INCOME TAX	Idaho taxable income	8%	Multistate businesses must apportion their income using a three-factor formula made up of property, payroll and sales (the sales factor is double-weighted).
ELECTRICITY TAX	Water-generated electricity	1/2 mill per kilowatt hour	Exception: There is no tax on the sale of water-generated electricity used for irrigation, manufacturing, mining, milling, smelting, refining or processing.
ESTATE TAX	Generally, taxable estates of more than \$625,000 (changes to \$650,000 for date of death after 1-1-99)	Variable	This tax consists of only the federal state death tax credit. The federal estate tax tables are used for computation.
GASOLINE TAX	Gasoline	\$ .25/gal.	Off-road users get refunds for tax on gasoline used in equipment and auxiliary engines.
	Aviation fuel	\$ .055/gal.	
	Jet fuel	\$ .045/gal.	Exception: Idaho National Guard aircraft.
ILLEGAL DRUG STAMP TAX	Marijuana	\$3.50/gram	
	Controlled substance sold by weight	\$200/gram	
	Controlled substance sold by dosage	\$200/50 dosage units	

# IDAHO TAXES

TYPE OF TAX	WHAT IS TAXED	RATE	OTHER INFORMATION
MINE LICENSE TAX	Value of ores mined or extracted	2%	
PERSONAL INCOME TAX	Idaho taxable income	2.0% to 8.2%, depending on income	
SALES/USE TAX	Retail sales and rentals of tangible personal property; also admission fees and fees for recreation or hotel/motel rooms (except stays of more than 30 days). Use tax applies if sales tax was not paid at the point of purchase.	5%	Exceptions: Utilities, motor fuels (which are taxed separately), prescription drugs, and tangible personal property used in manufacturing, farming, processing, mining and fabricating.
SEVERANCE TAX	Market value of oil and gas produced or sold in Idaho	2%	
SPECIAL FUELS TAX	Diesel	\$ .25/gal.	
	Propane	\$ .181/gal.	
	Natural gas	\$ .197/therm	
TOBACCO TAX	All tobacco products (except cigarettes)	40% of wholesale price	
TRAVEL & CONVENTION HOTEL/MOTEL TAX	Hotel/motel occupants and campground users	2%	Exception: Long-term residents (more than 30 days in a row).

# TAXES COLLECTED IN IDAHO

## IDAHO FISCAL YEAR 1998 STATE AND LOCAL TAX REVENUE\*



\* Property Tax reflects Calendar Year 1998.

Note: Sales Tax includes revenue sharing; Income Tax includes Permanent Building Fund.

# TAX REVENUES AND COST OF COLLECTING

FISCAL YEAR	GROSS TAX COLLECTION	COST TO COLLECT	% COST TO COLLECT
1983	\$ 559,882,700	\$ 8,358,300	1.49
1984	671,190,500	8,469,900	1.27
1985	706,861,200	9,290,000	1.31
1986	728,569,800	9,232,600	1.27
1987	788,817,700	10,112,000	1.28
1988	842,831,300	10,728,900	1.27
1989	957,703,300	12,033,200	1.25
1990	1,060,975,600	12,287,200	1.15
1991	1,138,190,700	13,801,800	1.21
1992	1,243,544,700	16,027,800	1.29
1993	1,369,354,900	14,749,600	1.08
1994	1,522,493,800	15,929,700	1.04
1995	1,672,156,873	17,571,900	1.05
1996	1,780,328,123	18,074,100	1.02
1997	1,861,843,069	18,295,500	.98
1998	1,985,848,081	18,797,100	.94

## EXPENSE BY PROGRAM

### FISCAL YEAR 1998

General Services*	\$ 4,969,800
Audit & Collections*	10,002,700
Revenue Operations*	3,824,600
County Support	2,476,800
<b>TOTAL</b>	<b>\$21,273,900</b>

\* Programs involved in actual collection of taxes.

# IDAHO REVENUES

The State Tax Commission collected revenues totaling \$1.986 billion in fiscal year 1998. This was an increase of \$124 million or about 6.66 percent from the previous year.

A two-year comparison of revenues by category is shown below. These figures represent gross collections.

SOURCE	FY 97 REVENUE	FY 98 REVENUE	% CHANGE
Individual Income Tax	\$ 830,855,950	\$ 914,961,241	10.12 %
Corporate Income Tax	138,276,631	136,995,971	(0.93)
Sales Tax	624,631,840	655,182,609	4.89
Cigarette Tax	25,053,298	24,950,965	(0.41)
Beer Tax	3,468,604	3,445,774	(0.66)
Wine Tax	2,005,447	2,170,679	8.24
Electricity (Kilowatt Hr.)	2,973,606	3,239,911	8.96
Mine License Tax	764,742	1,101,302	44.01
Tobacco Tax	4,001,810	4,070,470	1.72
Estate Tax	4,168,007	9,124,122	118.91
Unclaimed Property	2,655,837	4,336,659	63.29
Escheat Trust	25,707	3,676	(85.70)
Railroad Car Co. Property Tax	131,296	135,774	3.41
Motor Fuels Tax	211,528,330	213,955,804	1.15
Boise Auditorium Dist. Tax	1,860,813	2,146,786	15.37
Travel and Convention Tax	4,019,282	4,311,261	7.26
Illegal Drug Tax	20,386	13,524	(33.66)
Suspense (source not identified)	5,294,440	5,603,662	5.84
Miscellaneous	107,044	97,891	(8.55)
<b>TOTALS</b>	<b>\$ 1,861,843,070</b>	<b>\$ 1,985,848,081</b>	<b>6.66%</b>

# DISTRIBUTION OF REVENUES

FUND	FY 97	FY 98	INCREASE/(DECREASE)
General Fund	\$ 1,263,174,440	\$ 1,351,158,861	\$ 87,984,421
Miscellaneous Income	85,921	94,348	8,427
Revenue Sharing	48,240,616	50,572,404	2,331,788
Circuit Breaker	9,609,041	10,331,095	722,054
U.S.Olympic Donations	4,228	4,797	569
Capital Improvements	1,122,300	1,273,151	150,851
Waterways Improvements	1,122,300	1,273,151	150,851
Off-Highway Improvements	1,122,300	1,273,151	150,851
State Refund Fund	202,508,616	218,202,308	15,693,692
Counties—Sales Tax	37,347,573	39,152,829	1,805,256
Multistate Tax Compact	251,611	718,440	466,829
Tax Commission Administration	62,615	61,343	(1,272)
Political Contributions	29,843	58,685	28,842
Travel & Convention Fund	3,988,150	4,275,380	287,230
Cancer Control Fund	401,444	400,941	(503)
Aeronautics Fund	1,448,937	1,176,372	(272,565)
Search & Rescue Fund	33,601	37,787	4,186
Drug Enforcement Donations	15,060	17,842	2,782
Substance Abuse Treatment	20,386	13,524	(6,862)
Unclaimed Property	1,826,400	2,318,703	492,303
Water Pollution Fund	12,570,940	16,327,913	3,756,973
Central Tumor Registry	141,000	141,000	0
Alcoholism Treatment Account	934,103	949,470	15,367
Trust Fund—Escheat	(41,486)	2,736	44,222
Motor Fuels Administration	2,031,642	433,154	(1,598,488)
Boise Auditorium District	1,857,195	2,141,490	284,295
Suspense Fund	5,294,440	5,603,662	309,222
Counties—Estate Tax	416,801	912,412	495,611
Public School Endowment	4,836,126	4,841,197	5,071
Fish & Game Donation	36,434	38,794	2,360
Children's Trust	30,680	33,506	2,826
Resource Conservation	363,518	771,188	407,670
Permanent Building Fund	13,083,044	13,682,331	599,287
Agriculture in the Classroom	3,913	5,058	1,145
Petroleum Storage Trust	7,876,510	1,843,578	(6,032,932)
Highway Distribution	154,948,747	155,758,965	810,218
Local Bridge Inspection	50,000	100,000	50,000
Railroad Grade Crossing	250,000	250,000	0
Alzheimer Disease Services	10,572	11,088	516
Community Forestry Donation	4,211	4,864	653
Road & Bridge	584,864	663,065	78,201
Grape Growers & Wine Producers	100,226	108,483	8,257
County Juvenile Probation	4,704,960	4,705,749	789
Sales Tax/School Districts	45,238,379	50,400,420	5,162,041
Restricted Highway Fund	34,100,869	36,707,678	2,606,809
Motor Fuel Distribution Fund		6,995,168	6,995,168
<b>TOTALS</b>	<b>\$ 1,861,843,070</b>	<b>\$ 1,985,848,081</b>	<b>\$ 124,005,011</b>

# THE AUDIT PROGRAM

The Tax Commission is responsible for conducting audits of tax returns filed by individuals and businesses. The audit program encourages voluntary compliance with tax laws and enforces those laws in cases where voluntary compliance is lacking.

The figures below represent a four-year comparison of revenues generated by the audit program.

<b>SOURCE</b>	<b>FY 95</b>	<b>FY 96</b>	<b>FY 97</b>	<b>FY 98</b>
Sales & Use Tax	\$ 7,995,123	\$ 5,195,897	\$ 6,451,798	\$ 5,229,680
Withholding	225,648	101,630	136,013	186,195
Motor Fuel Taxes	774,915	702,118	414,560	386,175
Miscellaneous Taxes (Cigarette, Tobacco, Beer & Wine)	0	0	7,679	0
Income Taxes:				
Corporate	13,421,312	5,148,753	7,383,713	8,254,759
Individual	4,285,277	4,408,399	5,808,982	5,342,214
Estate Tax	596,661	351,313	331,511	125,238
Travel & Convention and Greater Boise Auditorium District	3,337	32,638	16,861	588
Unclaimed Property*	1,037,609	688,513	574,080	972,014
Mine License	0	0	191,326	0
<b>TOTAL AUDIT RECOVERIES</b>	<b>\$28,339,882</b>	<b>\$16,629,261</b>	<b>\$21,316,523</b>	<b>\$20,496,863</b>

\* Unclaimed property is unique because it is not a tax. These assets are merely held for safekeeping until the rightful heirs or owners can be found. Unclaimed property consists of the contents of safe deposit boxes, stocks, refund checks whose owners cannot be found, and more.

# BUSINESS INVENTORY REPACEMENT

The figures below represent 6 percent of the sales tax which is paid to county treasurers as reimbursement for the exemption of business inventory property. These funds are redistributed to most non-school taxing districts.

COUNTY	FY 98	COUNTY	FY 98
Ada	\$ 5,630,207	Gem	567,846
Adams	310,776	Gooding	602,681
Bannock	2,468,528	Idaho	905,460
Bear Lake	349,011	Jefferson	474,676
Benewah	275,425	Jerome	589,252
Bingham	1,440,604	Kootenai	1,509,257
Blaine	355,947	Latah	702,529
Boise	171,757	Lemhi	569,367
Bonner	678,332	Lewis	228,804
Bonneville	2,470,240	Lincoln	311,957
Boundary	317,258	Madison	374,032
Butte	163,442	Minidoka	790,070
Camas	114,764	Nez Perce	2,173,322
Canyon	3,187,913	Oneida	255,435
Caribou	539,803	Owyhee	612,865
Cassia	984,446	Payette	467,767
Clark	205,678	Power	480,116
Clearwater	917,795	Shoshone	874,929
Custer	385,284	Teton	191,632
Elmore	530,644	Twin Falls	2,825,110
Franklin	420,925	Valley	290,938
Fremont	421,711	Washington	587,521
		<b>TOTAL</b>	<b>\$ 38,726,056</b>

Note: Distributions are made after the end of each quarter, thus the fourth quarter portion of these totals was distributed in July 1998.

# SALES TAX REPORTED BY COUNTY

To the extent possible, the sales tax reported is attributed to the county in which a business is located. However, there are two exceptions to this rule:

1. If the business has branches in more than one county but files only one sales tax return for all locations, the total reported is accounted for under "Multi-County."
2. If the main office of a business is located outside of Idaho, the sales tax reported is accounted for under "Other States."

County	Total Taxable FY 98	% Increase (Decrease) From FY 97	Gross Tax Reported FY 98	% Increase (Decrease) From FY 97
Ada	\$ 3,129,741,467	6.28%	\$ 159,244,887	7.51 %
Adams	9,508,063	(1.02)	474,553	(3.26)
Bannock	420,662,347	6.21	21,166,845	6.45
Bear Lake	33,696,304	0.97	1,689,223	1.31
Benewah	47,584,567	5.73	2,363,794	4.25
Bingham	134,092,947	2.51	6,715,116	1.84
Blaine	303,545,957	3.58	15,249,692	3.78
Boise	19,455,088	19.90	977,098	19.56
Bonner	240,525,809	5.58	12,166,134	6.77
Bonneville	637,547,936	1.22	31,708,654	0.65
Boundary	48,630,807	9.09	2,421,453	8.54
Butte	10,264,077	(4.61)	535,230	1.31
Camas	3,555,049	(8.52)	180,993	(5.99)
Canyon	564,780,627	(0.28)	28,553,831	0.78
Caribou	38,939,011	1.34	1,962,763	2.29
Cassia	109,649,473	(1.20)	5,463,624	(0.86)
Clark	3,137,239	4.44	170,605	15.39
Clearwater	38,092,183	(0.02)	1,919,102	1.06
Custer	30,719,814	3.58	1,545,787	3.24
Elmore	91,463,738	(1.70)	4,601,267	(0.51)
Franklin	43,968,994	1.82	2,202,084	1.72
Fremont	43,086,985	6.85	2,144,650	6.36
Gem	46,832,060	2.75	2,357,154	2.24

# SALES TAX REPORTED BY COUNTY

County	Total Taxable FY 98	% Increase (Decrease) From FY 97	Gross Tax Reported FY 98	% Increase (Decrease) From FY 97
Gooding	36,754,377	1.16	1,852,284	4.64
Idaho	75,259,137	5.36	3,758,201	4.93
Jefferson	51,573,850	1.11	2,563,507	(0.01)
Jerome	97,390,388	4.82	4,883,071	5.71
Kootenai	801,706,040	2.72	40,196,294	2.83
Latah	158,988,137	0.37	7,927,177	(0.40)
Lemhi	56,356,534	4.99	2,840,619	5.92
Lewis	17,736,509	8.10	894,090	7.98
Lincoln	13,389,046	10.33	650,981	6.95
Madison	104,112,589	4.80	5,215,174	5.09
Minidoka	69,281,935	(1.85)	3,464,308	(1.82)
Nez Perce	284,642,370	2.59	14,285,308	2.75
Oneida	14,106,447	(0.30)	701,950	(1.12)
Owyhee	19,143,857	5.98	954,099	4.64
Payette	61,488,931	10.48	3,091,828	10.44
Power	20,142,437	5.70	1,004,559	5.56
Shoshone	93,915,005	11.70	4,696,163	11.49
Teton	32,189,314	2.02	1,591,242	3.40
Twin Falls	455,665,747	0.87	22,848,362	1.56
Valley	56,971,687	2.77	2,858,720	3.04
Washington	42,148,201	7.27	2,112,136	7.43
Multi-County	2,738,388,979	4.34	136,065,893	2.53
Other States	1,619,521,223	4.20	81,614,556	5.25
<b>TOTALS</b>	<b>\$ 12,970,353,282</b>	<b>4.13%</b>	<b>\$ 651,885,061*</b>	<b>4.29%</b>

\* The amount of gross tax reported for fiscal year 1998 does not match actual sales tax revenue on page 10. Actual revenue was higher because some taxpayers made late payments on liabilities reported earlier.

# SALES TAX REVENUE SHARING

Revenue sharing monies are distributed quarterly from the sales tax account to each Idaho county and to eligible incorporated cities. The total amount distributed is equal to 7.75 percent of sales tax collections. One-half of this amount is distributed to counties and one-half to cities. Each county receives \$30,000 per year, while the remainder is distributed according to population. Each city receives shares determined half on population and half on valuation.

## CITIES

Aberdeen	\$ 47,624	Council	24,917	Grangeville	101,988
Acequia	2,737	Craigmont	15,510	Greenleaf	19,064
Albion	7,953	Crouch	4,052	Hagerman	20,635
American Falls	105,676	Culdesac	8,823	Hailey	221,765
Ammon	154,862	Dalton Gardens	101,051	Hamer	2,410
Arco	26,051	Dayton	10,939	Hansen	22,267
Arimo	7,336	Deary	14,672	Harrison	7,921
Ashton	27,963	Declo	7,169	Hauser Lake	14,341
Athol	14,416	Dietrich	3,308	Hayden	263,900
Atomic City	573	Donnelly	5,995	Hayden Lake	44,530
Bancroft	10,670	Dover	16,951	Hazelton	11,147
Basalt	9,947	Downey	15,532	Heyburn	78,651
Bellevue	55,326	Driggs	33,663	Hollister	3,858
Blackfoot	271,027	Drummond	800	Homedale	53,113
Bliss	5,011	Dubois	12,441	Hope	5,154
Bloomington	5,044	Eagle	269,103	Horseshoe Bend	22,928
Boise	6,093,198	East Hope	14,760	Huetter	2,493
Bonnars Ferry	73,901	Eden	7,526	Idaho City	11,188
Bovill	6,338	Elk River	4,077	Idaho Falls	1,590,170
Buhl	107,490	Emmett	145,612	Inkom	20,640
Burley	265,546	Fairfield	11,053	Iona	29,485
Butte City	1,279	Ferdinand	3,871	Irwin	4,675
Caldwell	654,837	Fernan	9,353	Island Park	6,999
Cambridge	10,983	Filer	46,057	Jerome	189,218
Carey	10,888	Firth	10,151	Juliaetta	15,741
Cascade	40,705	Franklin	14,202	Kamiah	36,239
Castleford	4,139	Fruitland	90,100	Kellogg	77,166
Challis	31,077	Garden City	364,488	Kendrick	10,368
Chubbuck	250,042	Genesee	24,704	Ketchum	472,730
Clark Fork	14,453	Georgetown	13,400	Kimberly	73,383
Clayton	694	Glenns Ferry	37,638	Kooskia	18,807
Clifton	6,377	Gooding	81,815	Kootenai	15,074
Coeur d'Alene	1,115,939	Grace	25,364	Kuna	79,679
Cottonwood	27,487	Grandview	8,842	Lapwai	19,780

# SALES TAX REVENUE SHARING

## CITIES CONTINUED

Lava Hot Springs	13,864	Orofino	90,941	Shoshone	34,608
Leadore	2,138	Osburn	44,562	Smelterville	12,879
Lewiston	1,023,220	Oxford	1,319	Soda Springs	85,733
Lewisville	14,746	Paris	15,111	Spencer	717
Mackay	16,838	Parker	7,260	Spirit Lake	31,401
Malad	55,322	Parkline	1,913	Stanley	9,150
Malta	4,246	Parma	46,625	Stateline	1,314
Marsing	21,023	Paul	24,486	Stites	5,091
McCall	205,209	Payette	176,534	St. Anthony	84,513
McCammom	18,708	Peck	4,626	St. Charles	18,034
Melba	8,279	Pierce	17,907	St. Maries	75,760
Menan	19,293	Pinehurst	49,353	Sugar City	34,193
Meridian	718,124	Placerville	1,207	Sun Valley	369,000
Middleton	55,967	Plummer	26,965	Swan Valley	5,329
Midvale	4,501	Pocatello	1,457,965	Tensed	2,317
Minidoka	1,416	Ponderay	29,831	Teton	15,429
Montpelier	71,097	Post Falls	491,405	Tetonia	5,315
Moore	4,850	Potlatch	22,025	Troy	24,757
Moscow	588,275	Preston	111,130	Twin Falls	1,035,772
Mountain Home	264,104	Priest River	55,664	Ucon	17,791
Moyie Springs	15,415	Rathdrum	96,284	Victor	18,841
Mud Lake	4,895	Reubens	1,504	Wallace	27,819
Mullan	18,560	Rexburg	359,161	Wardner	6,879
Murtaugh	3,308	Richfield	9,867	Warm River	570
Nampa	1,169,780	Rigby	77,409	Weippe	14,187
New Meadows	15,950	Riggins	15,085	Weiser	141,158
New Plymouth	37,704	Ririe	22,084	Wendell	57,266
Newdale	9,385	Roberts	13,707	Weston	10,440
Nezperce	14,409	Rockland	6,664	White Bird	3,316
Notus	10,586	Rupert	150,374	Wilder	31,117
Oakley	16,070	Salmon	102,028	Winchester	8,547
Oldtown	6,002	Sandpoint	253,079	Worley	4,613
Onaway	5,763	Shelley	100,559	<b>TOTAL</b>	<b>\$ 25,010,576</b>

Note: Distributions are made after the end of each quarter, thus the fourth quarter portion of these totals was distributed in July 1998.

# SALES TAX REVENUE SHARING

## COUNTIES

Ada	\$ 5,210,488	Gem	311,458
Adams	107,511	Gooding	295,641
Bannock	1,496,314	Idaho	327,295
Bear Lake	160,161	Jefferson	406,559
Benewah	208,927	Jerome	375,403
Bingham	854,035	Kootenai	1,933,113
Blaine	368,152	Latah	690,826
Boise	126,894	Lemhi	191,317
Bonner	706,822	Lewis	109,722
Bonneville	1,617,073	Lincoln	105,240
Boundary	225,680	Madison	497,297
Butte	92,272	Minidoka	443,472
Camas	47,132	Nez Perce	760,488
Canyon	2,271,664	Oneida	107,113
Caribou	177,372	Owyhee	229,445
Cassia	457,934	Payette	427,555
Clark	46,534	Power	194,026
Clearwater	216,716	Shoshone	309,366
Custer	115,878	Teton	132,950
Elmore	505,982	Twin Falls	1,233,263
Franklin	239,465	Valley	189,126
Fremont	260,959	Washington	225,939
		<b>TOTAL</b>	<b>\$ 25,010,576</b>

Note: A total of \$50,021,152 in sales tax revenue was distributed to Idaho's revenue sharing fund in FY 1998, half for cities and half for counties. Because fourth quarter revenues from one fiscal year are distributed from the fund in the following fiscal year, the actual amount of revenue received by cities and counties in FY 1998 was \$50,572,404 (see page 11, Revenue Sharing).

# 1998 AVERAGE PROPERTY TAX RATES

The figures below represent the average tax rates for urban and rural areas in each county. Rates are expressed as a percentage of a property's taxable value and include the total taxes levied by all taxing districts within the county. The urban tax rate includes all taxes paid within any incorporated city which levies property tax.

COUNTY	AVERAGE URBAN %	AVERAGE RURAL %	COUNTY	AVERAGE URBAN %	AVERAGE RURAL %
Ada	1.7482	1.4709	Gem	1.5710	1.0339
Adams	1.5161	1.0429	Gooding	1.8273	1.1747
Bannock	2.5123	1.5623	Idaho	1.2448	0.7746
Bear Lake	1.5139	1.0222	Jefferson	1.9269	1.2166
Benewah	1.5327	0.9876	Jerome	2.0316	1.2305
Bingham	2.2953	1.4659	Kootenai	1.6269	1.2464
Blaine	0.7024	0.5506	Latah	2.0261	1.5487
Boise	1.3929	1.0847	Lemhi	1.1984	0.6622
Bonner	1.2897	0.8469	Lewis	1.6893	1.1518
Bonneville	2.1781	1.4432	Lincoln	2.2309	1.3349
Boundary	1.2980	1.0196	Madison	1.5494	1.2785
Butte	2.0476	1.5194	Minidoka	1.5487	1.1219
Camas	1.5074	0.9062	Nez Perce	2.1011	1.1681
Canyon	1.9866	1.3767	Oneida	1.9359	1.3266
Caribou	1.9429	1.1711	Owyhee	1.6483	1.1254
Cassia	1.5723	1.1890	Payette	2.0656	1.2166
Clark	0.9340	0.6556	Power	2.1476	1.3747
Clearwater	1.5784	0.8909	Shoshone	2.1336	1.4160
Custer	0.8616	0.6232	Teton	1.1313	0.8933
Elmore	2.0908	1.2998	Twin Falls	1.8612	1.2538
Franklin	1.6457	1.2023	Valley	1.2544	0.7351
Fremont	1.4346	0.9156	Washington	1.8164	1.1776
			<b>TOTALS</b>	<b>1.6882</b>	<b>1.1837</b>

# PROPERTY TAXES

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Property taxes are established and collected by individual counties and taxing districts to provide local services and do not generate revenue for state use. The state has the responsibility of overseeing property tax procedures to make sure they comply with Idaho laws. In addition, the State Tax Commission is responsible for valuing public utilities and railroads which, collectively, are called operating property.

## TAXABLE PROPERTY

Property taxes apply to homes (including manufactured housing), farms, businesses, industry, warehouses, offices, most privately owned real estate and operating property, as well as personal property such as machinery and equipment, farm implements, and office furniture and equipment.

## EXEMPTIONS

Exemptions from property tax include inventories, livestock, stored property in transit, pollution control facilities, certain recycling equipment, household belongings, clothing, properly licensed motor or recreational vehicles, and most property belonging to religious, fraternal and educational organizations and institutions. Partial exemptions are available for residential improvements, the speculative value of agricultural land, remediated land, and property which suffers a casualty loss.

## PARTIAL TAX CREDITS

Partial tax credits are available to elderly, widowed and disabled homeowners. For more information, see the Circuit Breaker section on Pages 25, 26, and 27 of this report.

## TAX RATES

Tax rates are determined by dividing the approved budget of each taxing authority by the taxable value within that area. The tax rate for each taxing authority can then be multiplied by an individual's taxable property value to determine the portion of tax that will go to each taxing authority. Budgets for taxing districts are set by their governing bodies (e.g., county commissions, city councils, school boards).

# PROPERTY TAXES

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## GROWTH CAP

There is a 3 percent cap on growth of most of the property tax portions of a taxing district's budget (school district maintenance and operation budgets are exempt). Districts are allowed to add an amount for new construction and annexation.

## TIMBERLAND

Timberland is taxed according to the acreage involved. If more than 5,000 acres are under one ownership, the tax is based on the land's ability to produce marketable timber. If there are more than 5 acres but less than 5,000 acres, the owner is given an option of productivity or bare land value with yield tax due when the timber is cut.

## OPERATING PROPERTY

Operating property consists of public utilities, railroad car companies and railroads. It is valued by the State Tax Commission with values allocated to the counties and taxing districts.

## RURAL ELECTRICAL ASSOCIATIONS

Rural electrical associations pay a 3 1/2 percent tax on adjusted gross revenue instead of property tax. Counties collect the tax which is computed by the Tax Commission and apportioned on a wire mile basis.

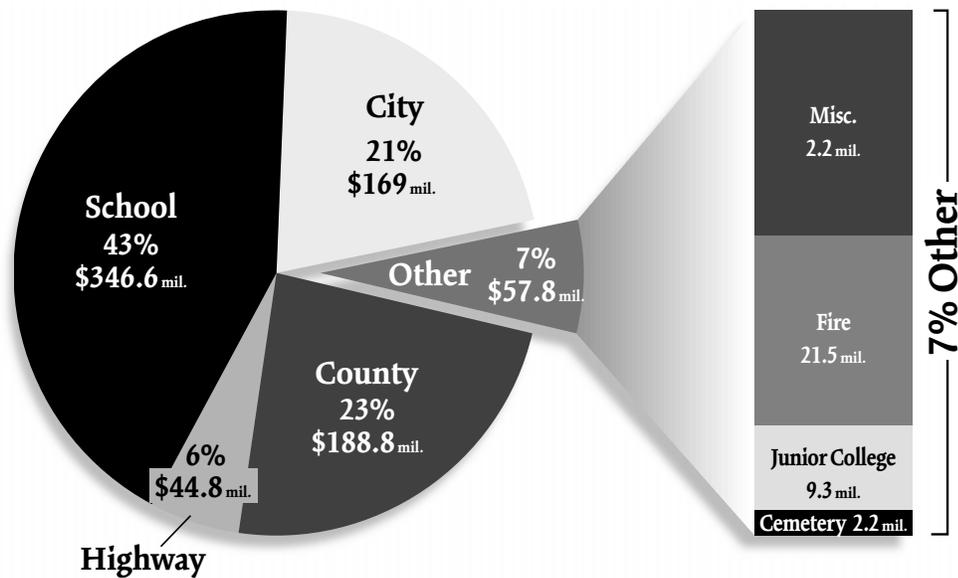
## COMPLAINTS

Complaints or disagreements concerning the assessed value of real or personal property should be taken to the county assessor. If differences cannot be resolved at this level, a property owner may proceed through the following channels to find a resolution: County Board of Equalization, State Board of Tax Appeals or District Court, and State Supreme Court. Operating property assessments must be appealed to the State Tax Commission and then through the courts.

# PROPERTY TAXES

The charts on this and the following page represent budgeted property taxes for 1998. The chart below shows users of the 1998 property tax. The charts on the next page show how much of the property tax has been paid by each of the major categories of property taxpayers through the years. The top chart shows a breakdown of the amount paid each year; the bottom chart adjusts these amounts for inflation.

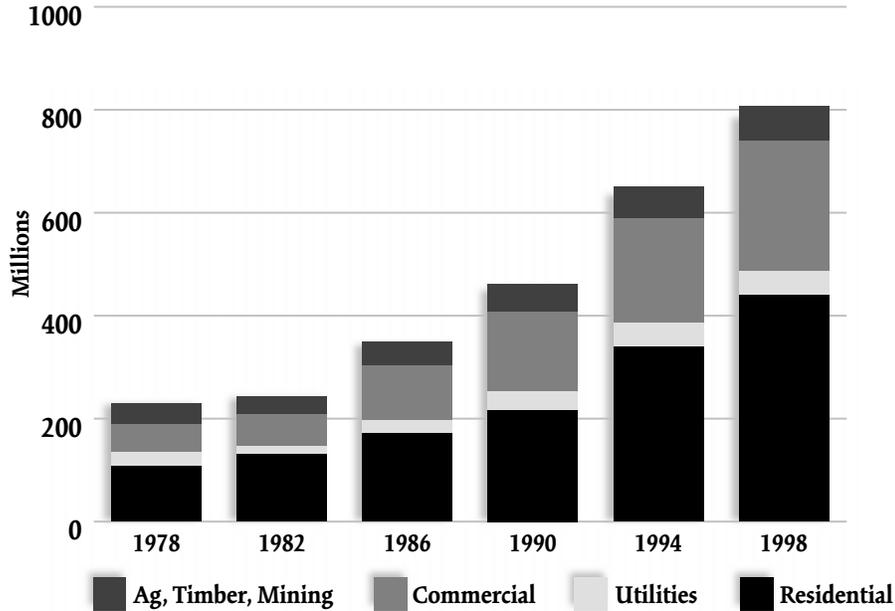
## PROPERTY TAXES BY MAJOR CATEGORY OF PROPERTY



# PROPERTY TAXES

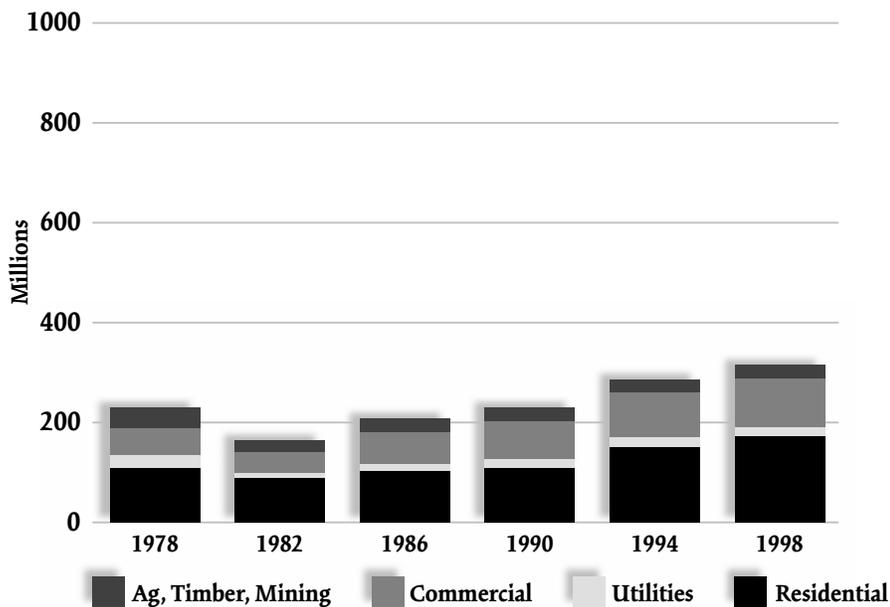
## CURRENT DOLLARS

ADJUSTED PROPERTY TAXES BY MAJOR CATEGORY OF PROPERTY



## CONSTANT 1978 DOLLARS

ADJUSTED PROPERTY TAXES BY MAJOR CATEGORY OF PROPERTY



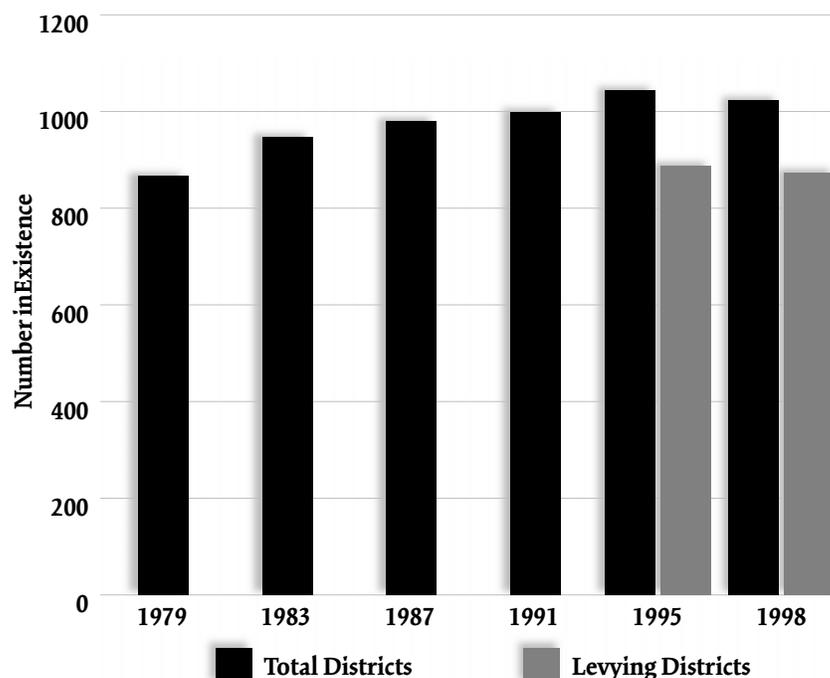
# PROPERTY TAXING DISTRICTS

A taxing district is a unit of government which is established to provide public services. Some districts, like cities and counties, provide a variety of services. Most have a limited purpose, such as mosquito abatement, flood control, etc. Not all taxing districts actually levy taxes, even though they are legally authorized to do so. About 15 percent of taxing districts did not levy property taxes in 1998. Taxing districts overlap and a property owner pays taxes to more than one district. Each piece of property lies in a "tax code area," which is defined by the combination of taxing districts that govern it. In 1998, there were 3,303 tax code areas in Idaho.

TAXING DISTRICT OR AUTHORITY	TOTAL STATEWIDE
Ambulance	17
Auditorium	2
Cemetery	180
Cities	202
Community College	2
Counties	44
Drainage	1
Pest Control	5
Fire	144
Flood Control	14
Highway/Road & Bridge	101
Hospital	20

TAXING DISTRICT OR AUTHORITY	TOTAL STATEWIDE
Levee	1
Library	50
Mosquito Abatement	11
Museum	0
Port	1
Recreation	19
Regional Airport	0
School	112
Sewer	32
Sewer & Water	51
Water	25
Watershed Improvement	10
<b>TOTAL</b>	<b>1,044</b>

## TAXING DISTRICTS



# CIRCUIT BREAKER PROPERTY TAX REDUCTION

Idaho's Circuit Breaker program offers property tax relief to low income elderly, widowed and disabled homeowners. Begun in 1974, Circuit Breaker grew out of a widow's exemption program and was expanded in 1981 to include the categories listed above.

The 1998 Circuit Breaker program allowed up to \$1,100 in property tax reduction for eligible households, depending on their income. As income rises, the amount of property tax reduction decreases.

The chart below shows changes in the program since 1974.

Calendar Year	APPROVED CLAIMANTS		BENEFITS PAID		ELIGIBILITY	
	Number	Percent (%) Change from Prior Year	Average Benefits Per Claimant	Total (\$ Mil.)	Maximum Income	Maximum Benefit
1974	15,924	N/A	\$ 117.43	\$ 1.87	\$ 5,000	\$ 200
1975	13,912	(12.6)%	116.45	1.62	5,000	200
1976	14,336	(3.0)	117.19	1.68	5,500	200
1977	13,322	(7.1)	119.35	1.59	5,500	200
1978	15,786	18.5	184.34	2.91	7,500	400
1979	15,467	(2.0)	185.56	2.87	7,500	400
1980	15,650	1.2	174.44	2.73	8,750	400
1981	17,160	9.6	174.83	3.00	10,000	400
1982	17,633	2.8	182.61	3.22	11,100	400
1983	17,649	0.1	177.35	3.13	11,900	400
1984	17,417	(1.3)	181.43	3.16	11,900	400
1985	17,347	(0.4)	188.51	3.27	12,300	400
1986	17,605	1.5	199.94	3.52	12,730	400
1987	18,757	6.5	206.32	3.87	13,120	400
1988	19,725	5.2	210.90	4.16	13,320	400
1989	20,073	1.8	214.22	4.30	13,860	400
1990	20,777	3.5	216.10	4.49	14,410	400
1991	21,026	1.2	218.30	4.59	15,100	400
1992	21,222	0.9	284.14	6.03	15,920	600
1993	22,324	5.2	336.04	7.50	16,510	800
1994	23,012	3.1	358.13	8.24	16,990	800
1995	24,254	5.4	363.04	8.81	17,430	800
1996	24,185	(0.3)	397.27	9.61	17,910	900
1997	24,629	1.8	419.29	10.33	18,380	1,000
1998	24,431	(0.8)	445.72	10.89	18,910	1,100

# CIRCUIT BREAKER BENEFITS

Circuit Breaker benefits vary greatly from county to county, depending on the population of eligible taxpayers, the tax level in each county, and the amount of participation in the program. A breakdown of 1998 benefits by county is shown in the table below.

The Circuit Breaker program is fully funded by a continuing state appropriation. The State Tax Commission coordinates the program, reviews applications for eligibility, and provides forms and training to the counties. Each claimant must file an annual application with the county assessor between January 1 and April 15.

County	1998 Approved Claims	Change in Number of Approved Claims 97/98	Approved Benefits	Average Benefits Per Claim	97/98 % Change in Per Claim Benefits
Ada	3,075	(9)	\$ 1,655,594.52	\$538.40	7.9%
Adams	147	13	53,760.62	365.72	24.3
Bannock	1,273	(11)	626,385.32	492.05	7.7
Bear Lake	235	4	72,064.62	306.66	1.1
Benewah	270	(11)	81,530.28	301.96	11.3
Bingham	756	40	299,249.28	395.83	5.1
Blaine	75	(13)	39,255.32	523.40	8.5
Boise	123	12	39,007.48	317.13	7.6
Bonner	926	(26)	337,404.62	364.37	4.2
Bonneville	1,302	20	657,989.94	505.37	3.3
Boundary	226	10	69,759.76	308.67	13.3
Butte	85	1	24,692.18	290.50	24.6
Camas	18	3	6,242.66	346.81	14.8
Canyon	2,598	28	1,288,834.57	496.09	5.1
Caribou	151	(2)	55,630.66	368.41	2.0
Cassia	549	11	182,092.88	331.68	1.2
Clark	10	(3)	962 .92	96.29	(9.9)
Clearwater	299	(21)	85,907.68	287.32	6.2
Custer	103	(6)	24,190.26	234.86	6.2
Elmore	322	4	130,116.30	404.09	11.1
Franklin	249	0	102,571.64	411.93	9.6
Fremont	378	12	116,019.56	306.93	0.4

# CIRCUIT BREAKER BENEFITS

County	1998 Approved Claims	Change in Number of Approved Claims 97/98	Approved Benefits	Average Benefits Per Claim	97/98 % Change in Per Claim Benefits
Gem	577	(10)	242,033.20	419.47	5.2
Gooding	465	(15)	198,505.50	426.89	5.7
Idaho	536	(13)	161,430.00	301.18	11.6
Jefferson	378	(9)	137,061.40	362.60	3.1
Jerome	488	(18)	228,833.10	468.92	5.4
Kootenai	2,055	(39)	1,009,790.88	491.38	4.8
Latah	442	(18)	196,491.16	444.55	6.9
Lemhi	268	(5)	84,842.20	316.58	7.9
Lewis	150	(10)	53,841.36	358.94	5.8
Lincoln	117	(10)	50,579.12	432.30	8.1
Madison	253	(8)	109,982.36	434.71	2.5
Minidoka	570	(1)	199,922.84	350.74	4.8
Nez Perce	974	(61)	572,427.65	587.71	9.1
Oneida	111	1	50,391.30	453.98	6.9
Owyhee	280	7	94,196.84	336.42	4.1
Payette	697	4	328,069.32	470.69	5.3
Power	115	5	49,009.48	426.17	8.0
Shoshone	743	(11)	304,202.30	409.42	11.1
Teton	68	10	24,210.26	356.03	20.9
Twin Falls	1,406	(53)	592,824.06	421.64	6.7
Valley	164	(1)	63,442.90	386.85	6.8
Washington	404	1	188,064.36	465.51	6.6
<b>TOTALS</b>	<b>24,431</b>	<b>(198)</b>	<b>\$10,889,414.66</b>	<b>\$ 445.72</b>	<b>6.3</b>

# RATIO STUDY

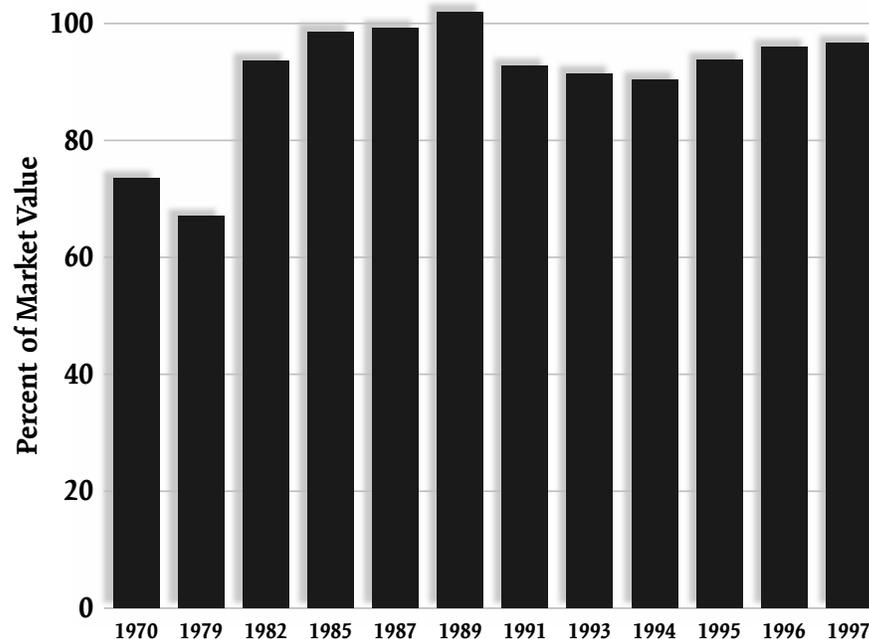
Idaho law requires that all property be assessed at market value. The State Tax Commission is charged with the responsibility of making certain that each county assessor is assessing property at market value. To do this, the Tax Commission annually conducts ratio studies in each county. These are used to evaluate the assessment process in the counties and to equalize the distribution of state school funds and local school property taxes.

The ratio study is a statistical test in which assessments are compared to sale prices for available ordinary sales of residential and commercial property in each county. The ratio study provides measurements of assessment quality by determining the overall level and comparative uniformity of the assessments.

The results are reported to the State Board of Equalization (consisting of Tax Commission members), which meets annually to review property assessments by category. The State Tax Commission has established assessment level standards based on nationally recognized practices, and categories which do not meet these standards may be subject to additional testing or to adjustment by the Tax Commission.

## RATIO STUDY RESULTS

### AVERAGE ASSESSMENT LEVEL: IMPROVED URBAN RESIDENTIAL PROPERTY



100% = MARKET VALUE

Years shown are those with significant changes in the assessment process or residential property values.

# TAX BURDEN STUDY

Comparisons between Idaho, the western states and the nation are highlighted below. The western states used for comparison are Arizona, California, Colorado, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming. Percentages indicate how much of the average person's 1995 total income was spent on each tax.

Type of Tax	National Average	Idaho Average	Median of 11 Western States
Property	3.41%	2.94%	3.08%
Sales	2.68	2.67	2.92
Individual Income	2.31	2.78	2.37
Corporate Income	0.53	0.60	0.47
Motor Vehicle	0.66	0.97	0.91
Overall	11.06%	11.11%	11.31%

The chart below compares Idaho taxes to the national average after adjusting for differences in income or population among the states. It also shows the number of states using each tax and includes Washington, D.C.

Type of Tax	BASED ON INCOME		BASED ON POPULATION		Number of States with Tax
	% of U.S. Average	Rank	% of U.S. Average	Rank	
Property	86.2%	35	70.3	37	51
Sales	99.5	25	81.1	36	47
Individual Income	120.3	16	98.1	27	44
Corporate Income	114.1	15	93.0	18	47
Motor Vehicle	146.7	9	119.6	16	51
Overall	100.5	23	81.9	40	51

# 1998 TAX BILLS THAT BECAME LAW

## INCOME TAX

- HB 430a Includes the Idaho State Library among those entities for which an income tax credit for donations to charitable institutions is available. Effective 3/17/98.
- HB 442 Clarifies circumstances in which an Idaho taxpayer is entitled to an Idaho income tax credit for income taxes paid to other states. Effective 1/1/98.
- HB 484 Deletes deductions for contributions to medical assistance accounts and personal health care services, deletes the deductions for weatherization and conservation expenses, and deletes the provision requiring individual taxpayers to indicate on their tax forms the school district in which they reside. Effective 1/1/98.
- HB 486 Provides for an automatic extension of time for filing income tax returns and provides penalties for failure to file, failure to pay taxes due, or for underpayment of taxes due. Effective 1/1/99.
- HB 642 Provides a tax credit for contributions made to a center for independent living located within the state. Effective 7/1/98.
- HB 787 Limits the contributions to medical savings accounts and allows adjustments for erroneous withdrawals from an account. Effective 1/1/98.
- HB 788 Provides for sharing of information between the Department of Labor and the State Tax Commission, changes the filing date of withholding returns for state income tax purposes, and authorizes the joint filing of employment related tax returns with the Department of Labor. Effective 1/1/99.
- HB 732 Provides an income tax credit for charitable contributions to the Children's Home Society of Idaho. Effective 1/1/98.
- SB 1426 Revises the holding period to 18 months for real property to qualify for capital gains treatment. Effective 1/1/98.

## SALES AND USE TAX

- HB 490 Revises the contents for a petition to organize an auditorium district, reduces the population for auditorium districts that shall have no power to levy and collect property taxes, and reduces the population for auditorium districts that have the power and authority to collect property taxes. Effective 7/1/98.
- HB 519 Expands the definition of tangible personal property to clarify that advertising space is not subject to sales and use tax when sold to an advertiser or its agent by the publisher of a newspaper or the magazine in which the advertisement is displayed or circulated. Effective 7/1/98.
- HB 521 Amends Idaho law to subject to Idaho's constitutional jurisdiction all retailers making taxable sales in Idaho. Effective 3/20/98.
- HB 522 Clarifies portions of the Sales Tax Act relating to the definition of retail sale, imposes the tax on certain sales to United States government contractors, provides for the issuance of temporary seller's and wholesaler's permits, and prohibits certain enforcement actions by the State Tax Commission until all appeal rights have become final. Effective 7/1/98.
- HB 523 Extends personal liability for payment of sales and use taxes owed or collected by a corporation to the officer, member or partner of a partnership or limited liability company who makes the payment on behalf of the corporation, partnership or limited liability company. Effective 7/1/98.
- HB 618 Provides an exemption from sales tax for dental prostheses and other orthodontic appliances, but not including fillings. Effective 7/1/98.

# 1998 TAX BILLS THAT BECAME LAW

## PROPERTY TAX

- HB 420 Revises procedures on how a lien on real property for unpaid personal property taxes is entered. Effective 7/1/98.
- HB 467a Clarifies that income shall not include veteran's disability pensions received by a claimant or a claimant's spouse, provided that veteran has at least 40 percent service-connected disability. Effective 7/1/98.
- HB 475 Exempts residential improvements from tax until first occupied, defines a term, provides application to the nonresidential portion of an improvement to real property and provides application to multiple residential units. Effective 1/1/98.
- HB 686 Amends and adds to existing law relating to taxation of natural gas cooperative associations, provides definitions, provides a reference to annual gross electrical earnings, provides for a tax levy on annual gross natural gas earnings, provides a reference to electrical associations, provides for filing an operator's statement and for allotment and apportionment of tax due from natural gas associations, provides for notification by the county treasurer to each natural gas cooperative of taxes owed, provides that taxes due and payable are liens on the electrical or natural gas association owing the tax and provides that nonoperating property of a natural gas association shall be assessed by the county assessor. Effective 1/1/99.
- HB 712a Provides that cities may increase their budget if their levy is below a certain figure and provides for an election. Effective 1/1/98.
- HB 752a Amends existing law relating to evaluation and assessment of public utility property to exclude franchises and rights-of-way from the definition of operating property, to specify additional intangible personal properties which are exempt from taxation and to authorize the State Tax Commission to promulgate rules to exclude intangible personal property from the taxable value of operating property. Effective 1/1/99.
- SB 1535 Provides that the property tax replacement in school funding shall be made by appropriation rather than by an automatic distribution from the sales tax receipts. Effective 7/1/98.

## MOTOR FUELS

- HB 580 Adds to, repeals and amends existing law relating to tax returns for gasoline and special fuels taxes, increases the gaseous fuels annual fee, clarifies the exemption from fuel permit requirements for intrastate vehicles over 26,000 pounds and provides for a gaseous fuels distributor's license. Effective 7/1/98.
- HB 786 Provides for payment of interest on refunds claimed on motor fuels and special fuels taxes. Effective 7/1/98.

## OTHER

- HB 539 Specifies requirements for issuance of a cigarette wholesaler's license to a corporation. Effective 7/1/98.
- HB 586 Authorizes the State Tax Commission to arbitrate or mediate any issue within its jurisdiction by use of alternative dispute resolution. Effective 7/1/98.
- HB 731a Provides that a hearing will be conducted and a recommended decision rendered by a hearing officer or by one member of the board of tax appeals; provides that the recommended decision shall become final when signed by at least two board members and provides that if the recommended decision fails to gain the signature of two members, the chairman shall direct that a substitute recommended decision be drafted for submission to board members which shall become final upon the signature of two or more members. Effective 7/1/98.

# STATE TAX COMMISSION OFFICES

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